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January 16, 1975

Government Formation Talks Fail in Denmark

Danish Prime Minister Hartling's Moderate Liberals, having failed to reach agreement with the Social Democrats on a coalition, will now have either to go it alone or look for partners within the center bloc of four small parties. In either case, Hartling will have a tough time getting his legislative program through parliament.

The Social Democrats were apparently even more unyielding in the talks with the prime minister than during the election campaign. They refused to consider participation or cooperation with a Moderate Liberal-led government and called for Hartling's resignation. The mutual dislike between the two party leaders and the Social Democrats' opposition to Hartling's "crisis plan" to bolster Denmark's flagging economy were important factors in their attitude.

ably would have majority backing	to continue in
office as a minority government.	

Soundings taken with all other parties repre-

Ironically, Hartling is therefore in much the same position he was before the election. He called the election to increase support for his economic program when it became clear that the plan would not receive majority backing in parliament. Although the Moderate Liberals nearly doubled their strength, they are still far short of a majority. Hartling's options are to continue in a minority status and water down his economic plan, resign in favor of another government formateur, or call still another election. All are risky or unpalatable.

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Evacuation of Turkish Cypriots on British Base Set	
British officials on the Akrotiri air force base in southern Cyprus today began a census to determine who among the 8-9,000 Turkish Cypriot refugees on the base wish to be evacuated to Turkey. The move was made despite protests from Greek and Greek Cypriot officials who see the refugees as one of their few bargaining cards in the intercommunal talks. The evacuation of the refugees, all of whom have thus far opted to go to Turkey rather than return to their homes in the Greek Cypriot sector. will	
begin January 18	25X1
British are hopeful that the evacuation can go off without a major hitch despite some small scale demonstrations by Greek Cypriots	25X1

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EC Negotiations With 46 ACP States Deadlocked

EC negotiations with 46 developing countries on a comprehensive cooperation agreement ended in deadlock this week despite three days of intensive discussions in Brussels.

The EC and the participating African, Caribbean, and Pacific countries agreed, however, to resume talks at the ministerial level in Brussels on January 30 and 31.

The agreement under negotiation would replace the Yaounde Convention, which currently links the Nine with 19 mainly French speaking states, and establish new links between the Nine and 19 commonwealth countries that became eligible for preferential treatment under the terms of the UK's accession to the EC. The three signatories to the 1969 Arusha accords—Kenya, Uganda, and Tanzania—and six independent African states which had no previous ties to the EC are also participating in the negotiations.

Negotiations with such a wide variety of developing states have resulted in a more flexible approach than characterized by the earlier "association" ties. The ACP states have, in fact, rejected the association label as implying less than full autonomy for the developing countries.

Agreements being negotiated will not only provide for free entry to the EC of all industrial products and most agricultural goods, but will include protocols on industrial cooperation, financial aid and a program for the stabilization of export earnings of certain developing-country commodities.

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The price the community will pay for guaranteed sugar imports and the volume of financial assistance they will make available to the ACP states have caused the greatest problems in Brussels. The Nine have also balked over ACP demands for free access to EC markets for all agricultural goods. How to define what processed industrial goods will qualify for duty-free entry into the community is likewise at issue.

Early this week, the Nine decided to increase their offer of financial assistance to the ACP states from 3.5 to 4 billion dollars over five years. The ACP states, however, have persisted in their demands for a \$8 billion fund. This new fund would replace the Third European Development Fund which since 1969 has made almost one billion dollars available to the 19 signatories to the Yaounde Convention.

Just prior to the suspension of talks, a Jamaican delegate accused the Nine of attempting at any cost to disrupt the collective unity of the ACP countries. Led by Senegal and Nigeria, the 46 have been remarkably cohesive throughout the negotiations given the complexity of the economic issues and the political diversity among them--in particular, the division between the Franco-phone and Anglophone Africans.

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